GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1610
ANSWERED ON:31.07.2003
WORLD BANK LOAN TO POWER GRID CORPORATION
ASHOK NAMDEORAO MOHOL

Will the Minister of POWER be pleased to state:

(a) whether the Union Government sought World Bank loan for Power Grid Corporation of India Ltd.;

(b) if so, whether the World Bank has agreed to provide loan for Power Grid Corporation of India Ltd.;

(c) if so, the details thereof;

(d) the terms and conditions thereof; and

(e) the extent to which the Government of Maharashtra is likely to be benefited from the said loan?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) to (d) : Power Grid Corporation of India Ltd. (PGCIL) signed an agreement with World Bank on 13th June, 2001 for a loan of US$ 450 million (PSDP-II Ln. 4603IN).

The said loan covers the following projects of PGCIL:

(i) East North Interconnector-I Project (Sasaram HVDC B/B Project).

(ii) System Coordination and Control Projects in Eastern and Western Regions.

(iii) POWERGRID`s diversification into telecom business.

(iv) High capacity East-North Interconnector-II.

(v) System Strengthening-III in Southern Region Grid.

(vi) National Load Despatch Centre.

(vii) Completion of projects being executed under earlier World Bank loans (No.3577-IN and No.3237-IN).

The loan has become effective from 21.11.2001 and will close on 30.6.2006. The repayment of the loan, which has LIBOR based interest rate, will commence on 15.12.2006 with a total repayment period of 15 years.

(e) : The System Coordination and Control Project in Western Region, being implemented under the World Bank funding, would help in improving the quality of power supply and system security in the Region (including Maharashtra). The constituents of Western Region, including Maharashtra will also be benefited from POWERGRID`s Telecom Network Project and the National Load Despatch Centre Project also being implemented under the World Bank funding.